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Operational activities of the United Nations for international development cooperation

Progress in the implementation of the multi-year funding frameworks and evaluation of the United Nations Development Assistance Framework

Report of the Secretary-General

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I. Progress in the implementation of the multi-year funding frameworks

A. Background

1. The present report has been prepared in accordance with paragraph 16 of Economic and Social Council resolution 2000/19, in which the Council requested the Secretary-General in the context of the next triennial policy review, to report to the General Assembly at its fifty-sixth session, through the Economic and Social Council, on the progress in the implementation of the multi-year funding frameworks (MYFFs), as part of ongoing efforts to strengthen the strategic resource management in the funds and programmes and to reverse the declining trend in core resources.

2. It responds to a number of General Assembly, Economic and Social Council and executive board resolutions and decisions.[1] The report provides an overview of the current MYFF situation, actions taken by executive boards and a preliminary assessment of the impact on funding trends of the United Nations funds and programmes.

B. Decisions of the executive boards of the United Nations funds and programmes on funding arrangements

3. In implementation of General Assembly resolution 50/227 and Economic and Social Council resolution 1997/59 of 24 July 1997, the executive boards of United Nations funds and programmes were engaged in very intensive dialogue and negotiations throughout 1998. The focus was on the development of a sustainable funding strategy for the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF) with the aim of increasing their core funding on a predictable, continuous and assured basis. As a result of these negotiations, the executive boards approved the landmark decisions described below.

1. United Nations Development Programme

4. Three main decisions of the UNDP Executive Board have guided the adoption of a revised funding strategy for the organization, centred around the introduction of the multi-year funding framework, which integrates programme objectives, resources, budget and outcomes with the objective of increasing regular resources (formerly known as core) resources.

5. The framework for UNDP's work was laid down in its Executive Board decision 98/23, which set out the basic principles and purpose of the revised funding strategy.

6. The foundation laid by UNDP Executive Board decision 98/23 was reinforced by its decision 99/1, especially in terms of further encouragement for UNDP efforts to develop MYFF, accompanied by a reporting system comprising an annual result-oriented report and a four-yearly assessment of MYFF.

7. MYFF itself — comprising a strategic results framework and an integrated resources framework, bringing together both programme and administrative resources — was reviewed and approved by the UNDP Executive Board in September 1999. The Board's decision 99/23 is particularly notable for its:

(a) Recognition that MYFF successfully integrates programme objectives, resources, budget and outcomes with the objective of increasing core resources and enhancing their predictability, as well as recognition of the significant achievement of UNDP in developing MYFF;

(b) Expression of deep concern about the continuing overall decline in the level of core resources and the continuing over-dependence on a limited number of donors, and reiteration of the importance of increases by Governments in their contributions and to pay their contributions on schedule, to help to put UNDP funding on a predictable, continuous and assured basis and to reach the annual funding target of $1.1 billion for core resources;

(c) Request to the UNDP Administrator, in consultation with the UNDP Executive Board, to continue to develop and refine MYFF as a strategic management tool; to enhance the visibility and focus of UNDP at the corporate and country levels; to continue to conduct information consultations with the Executive Board on the further implementation of the multi-year funding cycle, starting with the submission of the first results-oriented annual report for reporting on results and priority areas of the mandate of UNDP; and to define clearly the outcomes and results of UNDP programmes, with the full participation of

programme countries in the elaboration, monitoring and reporting of the strategic results framework;

(d) Recommendation to the UNDP Administrator to present to the UNDP Executive Board at its annual session in 2000 proposals for revising and updating the multi-year funding framework, incorporating the lessons learned to date.

8. This decision of the UNDP Executive Board is built around four main pillars that support the organization's revised funding strategy: reaffirmation of the fundamental characteristics of the operational activities of the United Nations development system, including its voluntary and grant nature; fully respecting the priorities of programme countries and responding to the needs of developing countries in a flexible manner; basing the MYFF strategy on the concept of collective ownership, partnership and shared interests with differentiated responsibilities to strengthen UNDP support for the increasing development needs of programme countries; and acknowledging the importance of a sustained increase in the level of regular resources as a key constituent of the character and operations of multilateral organizations.

9. In line with UNDP Executive Board decisions 98/2 and 98/23, which recognize the role of other sources of financing as a mechanism by which to enhance the capacity and supplement the means of UNDP in support of the goals and priorities set for the organization's work, MYFF provides the key framework for securing the policy coherence and country demand-driven nature of UNDP support, regardless of funding source.

10. The scale, focus and intensity of UNDP efforts have been unlike any previous initiative undertaken by the organization. To take a few cases in point:

(a) There has been considerable progress made in results-based management methodology. The results-based management tools — the strategic results framework, annual result-oriented report and associated internal management tools — were developed through piloting in 10 country offices in 1998-1999, the lessons of which were utilized to refine the tools prior to roll-out to country offices in mid-1999; MYFF was prepared explicitly on the basis of country-level priorities, as reflected in the strategic results frameworks; the first annual result-oriented report was presented to the UNDP Executive Board in mid-2000; and a wide-ranging review of lessons learnt from the first cycle of planning and reporting was carried out in 2000, leading to further systematization and refinement of the strategic results framework, the annual result-oriented report and internal management tools in the second half of the year;

(b) A major investment has been made in human resources development to underpin the introduction of results-based management. There have been two major global training initiatives specifically targeted on results-based management, one each in 1999 and 2000, covering all country offices and relevant headquarters units. Results-based management is also being integrated steadily in all regular training programmes, where appropriate, such as for resident representatives, deputy resident representatives and programme officers. The periodic cluster meetings of resident representatives and deputy resident representatives are also expected to have results-based management as a standing item on their agenda;

(c) Substantial headway has been made in developing the information technology required to support results-based management. There is now a single database worldwide for the strategic results framework, annual result-oriented report and management tools, accessible through the UNDP Intranet, which is likely to become the core of an up-to-date data warehouse to all country offices as well as regional and global programmes. In addition, a results-based management resource centre on the UNDP Intranet brings together policy, guidance and training materials on the subject; the centre is expected to evolve in the near future into the node for a knowledge network on results-based management for the UNDP community worldwide;

(d) A significant, sustained and systematic effort is being made to analyse and interpret data on intended results and performance for all operating units, to inform and guide strategic planning and management. For example, the findings of the annual result-oriented report for 1999 were an important input for the restructuring of the Bureau for Development Policy. Every intended result of every operating unit, together with progress towards each result, is being scrutinized and assessed corporately, an effort which is probably unprecedented in the United Nations system. Presentation of the first annual result-oriented report to the UNDP Executive Board also greatly facilitated the substantive discussion of the organization and its work.

11. The organization remains totally committed to results-based management and to the continued exchange of experience among United Nations agencies and with Organisation for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) donors launching or working with results-based management, which offers unmatched opportunities for the effective management of multilateral grant aid; reducing the transactions costs of development cooperation, especially those borne by recipient countries; and helping to answer the question "why pay for multilateral assistance?" by identifying much more clearly the value-added by UNDP. The annual result-oriented report confirms that development dollars spent through UNDP are helping to advance some of the development community's most critical goals in a variety of policy environments.

2. United Nations Children's Fund

12. The UNICEF Executive Board, in its decision 1999/8 (for details, see E/ICEF/1999/7/Rev.1), adopted a resource mobilization strategy aiming at increased contributions to core resources and burden-sharing, greater predictability of contributions to core resources, supplementary funds, supporting strategies and actions, and other means of mobilizing resources for UNICEF and for children. In the same decision, the UNICEF Executive Board requested UNICEF to adopt and develop a multi-year funding framework that conceptually integrates organizational priorities and major areas of action, resources, budget and outcomes. In response to the Board's request, an interdivisional working group was established to examine current practices and recommend actions in accordance with the decisions. After technical consultations with members of the UNICEF Executive Board, UNDP, UNFPA and bilateral agencies in order to learn from and build on experiences as well as in-house consultations to build organization-wide consensus, UNICEF presented its MYFF to its Executive Board at the first regular session of the Board, in January 2000 (see E/ICEF/2000/5).

13. The elements of the UNICEF multi-year funding framework (see E/ICEF/2000/5), as approved by the UNICEF Executive Board, comprise:

(a) The four-year medium-term strategic plan, which integrates UNICEF organizational priorities, resources and budget;

(b) The biennial support budget;

(c) An analytical annual report by the UNICEF Executive Director (part II) that facilitates monitoring of progress in achieving the objectives identified for the areas of activity set out in the organizational priorities of the medium-term plan;

(d) A pledging event, during which Governments announce their voluntary contributions to regular resources for the current year, together with firm or indicative contributions for future years, as well as a discussion by the UNICEF Executive Board of an analysis prepared by the UNICEF secretariat concerning the availability of resources;

(e) The holding of consultations by the UNICEF secretariat with individual Governments regarding their contributions to regular resources.

14. In UNICEF's results-focused programming and operations, many of the elements were already part of day-to-day operations. In the context of MYFF, much effort has gone into refining the results-based focus of policy documents, management directives, guidelines and manuals, as well as ensuring capturing of results in reporting through improvements in the programme expenditure coding system.

15. UNICEF is currently preparing the next medium-term strategic plan for the period 2002-2005. The plan will form the cornerstone of UNICEF efforts to promote results-based management throughout the organization. In particular, the plan will define a small number of organizational priorities and outline measurable objectives for progress for which the organization can be held accountable; annual reporting to the UNICEF Executive Board will focus on these organizational priorities. The definition of indicators of success or failure will be more sharply defined than in the current medium-term plan in order to facilitate results-based management and accountability to stakeholders. The new plan will be presented to the UNICEF Executive Board in September 2001.

3. United Nations Population Fund

16. The UNFPA Executive Board, in its decision 98/24 and as reaffirmed by its decision 99/5, requested UNFPA to develop a multi-year funding framework that integrates programme objectives, resources, budget and outcomes with the objective of increasing core resources. The Executive Board took note of the report

submitted by the UNFPA Executive Director outlining UNFPA's approach to MYFF, and requested the Executive Director to continue to develop the framework.

17. In close collaboration with all UNFPA units at Headquarters and in the field and in consultation with its Executive Board members, other United Nations agencies and external partners, UNFPA formulated the 2000-2003 MYFF, which was submitted to the UNFPA Executive Board for approval at its second regular session, in 2000 (see DP/FPA/2000/6). The MYFF consists of a results framework and an integrated resources framework.

18. The UNFPA Executive Board, in its decision 2000/9, welcomed the strategic direction of the MYFF and requested the UNFPA Executive Director to implement it, while continuing to refine it as a strategic management tool at the corporate and country levels, taking into account the experience gained during implementation. The Board also noted the funding scenarios accompanying the results framework as representing UNFPA's resource mobilization targets, and encouraged all countries in a position to do so to assist UNFPA in reaching a total figure of regular and supplementary resources of $1,434 million for the period 2000-2003.

19. The MYFF at UNFPA is implemented in the context of institutionalizing and mainstreaming a results-based management approach. Based on a fund-wide policy on results-based management issued by its Executive Director in 2000, UNFPA has embarked on a comprehensive approach to strengthening results-oriented programme and organizational management, including:

(a) An institutional assessment that recommended that the institutionalization of results-based management at UNFPA should build on existing systems and procedures and contribute to the institutional change process already under way;

(b) A situation analysis of the MYFF results framework in 123 countries to map the correspondence of MYFF and ongoing country programmes and to establish a database that would allow the monitoring of progress;

(c) A managing for results survey in programme countries to obtain baseline information on programme, financial, information and human resource management in UNFPA country offices, and to identify priority areas to strengthen UNFPA country office operations;

(d) Developing and strengthening of results-oriented programme planning, monitoring and evaluation tools and guidelines in the context of the logical framework (logframe) approach used in programme design and management;

(e) Introducing results-oriented annual country office and country technical services team reports;

(f) The development and implementation of a fund-wide strategy for capacity-building in results-based management;

(g) Initiating the introduction of a results-oriented competency-based human resource management system.

20. UNFPA's first reporting on MYFF will be presented as part of its Executive Director's annual report at the 2001 annual session of its Executive Board, to be held in New York from 11 to 22 June 2001.

4. World Food Programme

21. The World Food Programme (WFP) does not have a multi-year funding framework. Its Executive Board approved a resource mobilization strategy in October 2000, however, which recommends a series of measures aimed at improving the predictability, flexibility and security of WFP's entirely voluntary resource base.

22. This strategy, developed on the basis of General Assembly resolutions 50/227 and 52/203 and Economic and Social Council resolution 1997/59, began in early 1999 with an internal review of funding and a series of activities to solicit the views of the membership. Member States and donors were invited to share their views on the issues, which should be addressed by the strategy, and possible steps to improve the flexibility, predictability and security of WFP resources through a series of questionnaires, interviews and informal consultations.

23. The annual report of WFP to its Executive Board and to the Economic and Social Council for 2000 follows the common format recommended by the General Assembly in its resolution 48/162, and is in line with General Assembly resolution 53/192,

providing an analysis of issues arising from the implementation of the Secretary-General's reform programme and the triennial comprehensive policy review. By 2004, WFP oversight reports and an annual performance report will use the indicators in the budget and management plan to report WFP performance.

24. In 2000, the WFP Executive Board also endorsed a number of recommendations regarding the governance of WFP (see 2000/EB.3/1), which require it to introduce a results-based approach. WFP will do this gradually, as it reviews processes and procedures, develops guidelines, designs projects and undertakes initiatives. Results-based management is expected to assist in achieving many of the quality improvements and the demonstration of the results of WFP field activities through providing precise feedback on the impact of interventions. It will also assist resource mobilization by providing demonstrable results.

25. The strategic and financial plan for 2002-2005, which will be submitted to the WFP Executive Board in 2001, sets clear objectives and indicators for the results that WFP expects to attain. The budget and management plan will, from 2003, provide a clear outline of the planned actions of WFP and link this to the projected resources and budget allocations, providing indicators of performance.

26. Results-based approach will also be introduced into the monitoring arrangements made for field activities and their periodic reports to management, starting with the fundamental levels of results — outputs and outcomes — and moving towards higher-level impact information, as this becomes feasible. Performance information gathered will be used to make better informed decisions and to identify areas for improvement. It is also important for accountability to external stakeholders, such as donors, host Governments and the general public.

C. Financial status of the United Nations funds and programmes,[2] and assessment of the impact of funding trends on United Nations funds and programmes

27. At this early stage of implementation of the new funding arrangements, it is too early to assess its full impact in any comprehensive manner. However, it is possible to note that initial results of pledges made were disappointing in relation to targets set by the executive boards, and that mobilizing an adequate core funding base for the United Nations in development remains a key issue of concern. Meanwhile, the assessment of the impact of funding trends on the United Nations funds and programmes shows the results described below.

1. United Nations Development Programme

28. Mobilizing an adequate level of regular resources to maximize the unique impact of a strong multilateral United Nations development presence remains a top priority for UNDP. During the course of 2000, the UNDP Administrator continued to highlight the critical regular resource situation of UNDP, stressing that the funding crisis is not simply about UNDP but about the United Nations as a whole and its role in development. He emphasized the impact of the funding situation on UNDP programmes across the world, in particular in Africa, where programme resource allocations have fallen by 60 per cent in real terms since 1992.

29. Shortfalls in regular resources directly impact upon the ability of UNDP to deliver the development results anticipated in MYFF, with numerous examples on the ground of severely impaired capacity to respond to priority needs of programme countries due to the severe resource constraints. The unpredictability in voluntary contributions further risks stop-go programming of the kind that the multi-year funding framework was designed to avoid. In addition to missed opportunities, confidence in UNDP's reliability as a partner for Governments, bilateral and other multilateral institutions risks being severely affected by cutbacks in programmable resources. Without greater predictability, the ability of UNDP to respond to priority needs is itself at risk: lack of resources severely impedes translation of both the reform and the Millennium Summit commitments into reality.

30. There is a need and urgency for rebuilding broader political support both for the role of the United Nations in development and for the role of UNDP; there is also a need to convey the message of UNDP to wider political constituencies and to find ways of translating additional political support into practical action. Against this background, a ministerial meeting[3] was convened on UNDP with the aim of complementing the MYFF/funding strategy through the initiation of a process that permits sustained engagement at the political level on rebuilding the

resource base of the organization to agreed targets. As a sign of their support, a number of OECD/DAC donors indicated at the meeting an intention to increase regular funding commitments for 2001. It is anticipated that more countries will be able to follow this positive lead in confirming increased contributions to regular resources for 2001 and beyond, thereby enabling UNDP to build on and start to harvest the financial dividend of the renewed political support to UNDP, within the context of MYFF.

31. Meeting the regular resource targets agreed within MYFF, however, continues to be the most critical challenge for the UNDP Executive Board and for all members of UNDP. According to provisional data for 2000, total net income for the year was $634 million, some $47 million below the net income figure of $681 million recorded for 1999. The shortfall in 2000 came about even though 11 OECD/DAC donor countries and eight programme countries increased their contributions in the currency in which they pledge. In demonstrating their strong commitment to rebuilding the political support for UNDP and its resource base, four OECD/DAC donors made additional contributions to regular resources for 2000 in response to the ministerial meeting. The reasons for the shortfall in provisional net 2000 income included the reduction in the contribution levels of three OECD/DAC donors; delayed or partial payments by a number of OECD/DAC donors; and the continued strength of the United States dollar, which throughout 2000 appreciated against most currencies, including the major European currencies, which constitute over two thirds of the UNDP current regular resource income base. Predictability of resource flows was improved with the announcement by 17 countries of a multi-year pledge at the 2000 funding meeting. However, throughout 2000, UNDP experienced significant cash flow problems due to irregular payments of contributions by some donors. The timeliness of payment of contributions is essential to avoid liquidity constraints and is a key factor for the achievement of the goals of MYFF in terms of predictability of income.

32. At the third annual funding meeting for UNDP and its associated funds and programmes — the United Nations Capital Development Fund (UNCDF), the United Nations Development Fund for Women (UNIFEM) and United Nations Volunteers (UNV) — held in June 2000, UNDP members were requested to communicate their contributions to regular resources for 2001, and where possible for 2002 and 2003, by 31 March 2001. Based on the information received, current estimates for the gross contributions to regular resources for 2001, using the United Nations official exchange rate of 1 April 2001, amount to $670 million. Given this condition, the projected gross income figures do not do justice to the very positive increase in commitments to UNDP regular resources already made by a number of countries in 2001. According to current projections, it is expected that virtually all OECD/DAC donors will increase their contributions to regular resources in local currency terms in 2001, and that only one donor will reduce its contribution during the year. That same political commitment to an enhanced regular resource base for UNDP is again reflected by the fact that a number of programme countries have pledged to the regular resource base of the organization, often despite considerable internal constraints. Among OECD/DAC donor countries, a number of countries are increasing their contributions for the second and third consecutive years, reflecting a strong and sustained commitment to the rebuilding of the resource base of the organization.

33. A number of aspects point to 2001 marking the turning point for UNDP in terms of the regular resource levels. The widespread endorsement at the ministerial meeting of the UNDP reform process, which is considered as being in on the right track, provided an important impetus to the process of rebuilding political support for the organization. Coupled with the communication to the UNDP Executive Board and beyond to political leaders of progress being made, through the MYFF/annual result-oriented report process to demonstrate clear results and through implementation of the business plans 2000-2003 to strengthen the organization and its performance, this provides an important stimulus to resource mobilization in donor capitals. Sustaining this dynamic process to ensure the continued engagement of ministers and their commitment to joint action to address the resource issue remains key to the success of the MYFF process in turning around UNDP's resource position.

34. Recent trends have shown a significant increase in other ("non-core") resource contributions to UNDP. In 2000, third party co-financing contributions to UNDP amounted to some $500 million, bringing the total of voluntary contributions to regular resources

and third party co-financing to over $1.1 billion; virtually all OECD/DAC donors are now active in co-financing of UNDP programmes. Programme country cost-sharing, channelled through UNDP by programme country donor Governments in support of their own development programmes, amounted to just over $900 million.

35. Other resources represent an important complement to the regular resource base, permitting an extension of the impact of the programmes and fostering partnerships with a range of actors, including the European Commission, regional development banks, the World Bank, such foundations as the United Nations Foundation and the private sector. UNDP's ability to mobilize such resources depends on it having an adequate and secure multilateral base from which to provide its proven development expertise. The aggregate income figure of $2.2 billion (including funds from other sources) masks the serious financial crisis that UNDP is facing in its regular resource base since regular and other resources are not interchangeable; other resources represent earmarked contributions to specific themes, programmes and activities, and tend to be geographically concentrated, and are also not adhered to the programme priorities identified by the UNDP Executive Board. Meanwhile, contributions to regular resources remain the bedrock of UNDP, and putting the regular resource base back on a path of sustainable growth to meet agreed targets remains the top priority for UNDP.

2. United Nations Children's Fund

36. The continuing stagnation in regular resources is of deep concern to UNICEF. Regular resources are the foundation for UNICEF country programming. Thus, it is crucial to find a balance between regular resources and earmarked contributions that will safeguard the essence of the organization. For instance, income in 2000 has reached a 49 per cent split between regular and other resources, a level that is of concern to the organization, and significantly lowers than the 60 per cent split estimated at the time of the adoption of the resource mobilization strategy in 1999.

37. As a part of MYFF, two pledging events have taken place since the adoption of the resource mobilization strategy. The pledging events have generated additional commitments as well as a growing recognition among Governments of the threat posed to UNICEF by stagnating regular resources. More Governments participated in the pledging event in 2001 than in 2000, and the outcome represents a very slight increase in regular resources over 2000. There are increasing numbers of Governments, giving multi-year pledges, and there is a slightly increased burden-sharing among donor Governments compared to 2000.

38. At the pledging event in 2001, 66 Governments pledged or indicated tentative pledges to UNICEF; 28 donor Governments and 38 programme Governments. Pledges/indications for 2001 regular resources amounted to US$ 346 million, which is US$ 3 million more than the total government regular resources contributions for 2000 of US$ 343 million. This is significantly less than expected from Governments (see E/ICEF/1998/13) as a result of the resource mobilization strategy adopted in 1999. At the event, 49 Governments gave firm pledges; more than a quarter of them increased their contribution in 2001 (including seven members of OECD/DAC); 13 of those (including three OECD/DAC members) by 7 per cent or more.

39. Predictability has increased slightly compared to 2000. Fifteen Governments indicated a payment schedule for their 2001 regular resources contributions. In addition, 30 Governments indicated future year pledges, of which six are OECD/DAC members.

40. In terms of regular resources from private sector, UNICEF has consolidated a unique network of national committees in industrialized countries (raising one third of UNICEF's resources) and has developed alliances with important corporations, foundations and non-governmental organizations. Those efforts resulted in a net income of US$ 165 million, which combined with the US$ 343 million from Governments and US$ 55 million from other income makes the total of US$ 563 million in core funding for 2001.

41. Non-core resources have continued to grow and reached a total of US$ 576 million in 2000. UNICEF continues to have a unique support by the private sector and the general public around the world, through the national committees for UNICEF and other non-governmental and private sources. The national committees are critical partners, and continue to contribute about one third of the organization's total resources. UNICEF is also expanding its partnerships with key institutions, such as the World Bank and the European Commission, as well as with other actors, with a view to increasing the impact of resources towards mandated goals and to further broaden its

resource base. Innovative partnerships with such foundations as the Bill and Melinda Gates Foundation and the United Nations Foundation are maturing in priority programme areas. While those partnerships are very important, they do not contribute to increasing the regular resource base of UNICEF.

3. United Nations Population Fund

42. The great concern to UNFPA is the lower than expected income for regular resources in 2000, compared to the average-level needs identified in MYFF. Despite a small increase of three per cent in regular resources in 2000 compared to 2001, UNFPA's continued priority is to reverse the negative funding trend for its programmes over the past five years. Over the period 1995-1999, annual core contributions have declined from $312.6 million to $250 million.

43. The cumulative amount of UNFPA funds (from regular and supplementary resources) is projected at $691 million for the first two years (2000-2001) of the current MYFF period. For the four years of MYFF, that income flow would represent 94 per cent of the resource mobilization target, a shortfall of $83 million in absolute terms. However, in that projection the income from regular resources is estimated at only 82 per cent of the target, a shortfall of almost three times that of the projected shortfall in total resources.

44. Although the declining trend in core funds has been accompanied by increased attention to resource mobilization at all levels of the organization over the past few years, UNFPA recognizes that it is imperative to close the gap in regular resources. The lower than expected income for regular resources in 2000, if it continues, hampers the ability of UNFPA to implement country programmes and advance towards achieving the goals contained in the Programme of Action of the International Conference on Population and Development and MYFF.

45. In 2000, UNFPA exceeded its 100-donor benchmark for the year, receiving pledges from 102 countries. Based on pledges already received and indicators from some of the major donors, total contribution income for 2001 will amount to approximately $328.5 million, including $268.5 for regular resources and $60 million for co-financing arrangements. To date, 53 countries have pledged to UNFPA in 2001, 20 countries have pledged for two years and 17 countries have pledged for three years. UNFPA hopes that this positive development will continue throughout the MYFF period and beyond.

46. In addition to regular resources, UNFPA is continuing its partnerships with other key institutions to increase the resource base of its programmes. Private foundations, including the Ford Foundation, the Bill and Melinda Gates Foundation, the William and Flora Hewlitt Foundation and the United Nations Foundation, are playing an increasingly important role in supporting programmes to promote reproductive health and gender equality. UNFPA is also expanding its successful collaboration with the European Commission. UNFPA welcomes this supplementary funding, while continuing to put emphasis on increasing core resources. It is imperative to secure the achievement of the average level of resources identified in MYFF, especially for regular resources, as they enable the efficient programming of resources to meet ICPD goals.

4. World Food Programme

47. The World Food Programme has been very fortunate over much of its history to have the generous support of its donors. In 2000, contributions totalled $1.7 billion, an increase of 12 per cent compared to 1999 and similar to the high levels of 1998. Last year, donors gave $1.07 billion for emergencies, $381 million for protracted relief and recovery operations, $226 million for development and $25.8 million for special operations. Overall, some 80 per cent of the Programme's operational requirements were met in 2000. The continuing decline in contributions for WFP's development portfolio was of particular concern, with this programme category receiving just 14 per cent of overall resources — the lowest level in 23 years.

48. WFP and its membership, in developing a resource mobilization strategy, identified a number of areas where WFP funding could be improved to enable it to better serve the hungry poor.

49. Predictability is a particular challenge to WFP because it relies entirely on voluntary contributions, with most of its funds directed to emergency operations. The WFP resource mobilization strategy seeks to enhance the predictability of WFP resources by:

(a) Encouraging donors to communicate multi-year indicative pledges, based on their Food Aid

Convention commitments, which are of three years' duration. Since the adoption of the strategy, a number of donors have increased the portion of their FAC commitments channelled through WFP, and have communicated predicted funding for the following financial year;

(b) Continuing to hold three consultations on resources each year, the last of which is used as a forum to discuss future needs and plan anticipated resources;

(c) Continuing to seek standard agreements with donors in order to provide an estimate of expected annual resources.

50. The flexibility of resources is key to the ability of WFP to provide food to the people most in need, when it is needed most. To this end, the resource mobilization strategy proposes a number of measures to promote multilateral contributions and reduce conditionality, including:

(a) More assertive advocacy for multilateral contributions and appropriate recognition of multilateral donors;

(b) Better demonstration of the positive results of WFP's interventions, and provision of standardized project reports for multilateral donors, upon request;

(c) A recommendation that donors be able to select those operations to which their multilateral contributions may *not* be allocated, where legislative restrictions and sanctions prohibit their use;

(d) A request that donors refrain from "double-earmarking" their development resources, allowing WFP to allocate resources according to the mandate handed down by WFP's governing body to utilize at least 50 per cent of all resources in least developed countries and at least 90 per cent in low-income, food-deficit countries.

51. The security of WFP resources is of concern given the very small number of donors upon which WFP relies for the bulk of its funding. In 2000, some 70 donors contributed to WFP. Several non-traditional donors increased their contributions to WFP, including a number of recipient governments. The top 10 donors to WFP continued their strong support, contributing 87 per cent of all resources. The resource mobilization strategy proposes further efforts to increase the donor base, including strengthening collaboration with the private sector. Such partnerships not only increase the resources available for food assistance but contribute to the creation of grass-roots support for development assistance and food aid.

52. WFP regards the World Bank's new poverty eradication agenda as an opportunity to collaborate at policy and strategic levels. It has appointed a representative to the Bretton Woods institutions to strengthen this collaboration and ensure that it is translated into cooperative action at field level. The institutions and WFP will utilize food assistance as a complementary resource to reach the most vulnerable recipients in poverty eradication, social development, education, school health and post-conflict management.

D. Conclusions

53. MYFF and the reinforcement of results-based management provide United Nations agencies with the opportunity for joint MYFF and results-based management capacity-building for staff and national partners, programming, monitoring and evaluation efforts. There is still, however, a need to ensure that MYFFs are compatible and in harmony with the common country assessment (CCA) and other frameworks, as well as the introduction of sector-wide approaches at the country level. The introduction of results-based management in the funds and programmes provides an important stimulus to a more goal-oriented approach to the UNDAF/CCA processes.

54. The implementation of MYFF has not thus far secured a reversal of negative trends in funding. Decline and stagnation in funding affects all in terms of a lack of synergy and a possible distortion of the priorities that the United Nations system cooperation is asked to support. Thus, the impact of operational activities for development of the United Nations system can be enhanced only by a substantial increase in their core funding on a predictable, continuous and assured basis.

55. The gains made to date and their further consolidation may be seriously endangered by a clear shortcoming in the implementation of other aspects of the funding strategy, notably real progress towards the achievement of MYFF targets for regular resources. The continued stagnation of regular resource funding since the adoption of MYFF impairs the effectiveness of the changes implemented over the past two to three

years, and diminishes all the United Nations Development Group (UNDG) funds' and programmes' ability to leverage their internal transformation to benefit programme countries through the most effective programmes possible. Core resources are and will continue to be the essential base for the programmes of the low-income countries, to which the funds and programmes allocate the great majority of their regular resources. Furthermore, given the enormous effort and expectation invested by the staff of United Nations funds and programmes worldwide in making the new funding strategy work, there is a very real danger that the lack of a turnaround in core funding may seriously damage morale throughout the organization.

56. In terms of enhanced predictability, although a number of countries have been providing payment schedules, in some cases actual payments of the core contributions were received much later, in a few cases not before year-end. In that context, it is important that all contributing countries officially communicate their 2001 core contributions as early in the year as possible, and that they honour the fixed payment schedules that they announce.

57. In addition to funding commitments, it is important to reduce the over-dependence of United Nations funds and programmes on a limited number of donors. The traditional pledging conference held in November 2000 yielded modest results since, inter alia, none of the major donors pledged because of the timing of their budget cycles. With the establishment of funding meetings within the respective executive boards of the funds and programmes, there is a clear need for the intergovernmental bodies to reconsider the role of the pledging conference held each November.

58. Effective partnerships are crucial to the achievement of the MYFF results and the implementation of results-based management. In the context of the United Nations Development Assistance Framework (UNDAF), more attention needs to be paid to the areas of overlap and synergy among MYFFs of different United Nations agencies, CCA/UNDAF and other joint frameworks. The resource decline shows that MYFF goals can only be achieved in collaboration with other development partners, and that all partners should work closely, under government leadership, in joint needs assessments, programming, monitoring and evaluation.

59. In the case of UNDP, based on the experience so far on the implementation of the revised funding strategy, the following two conclusions may be made. First, as far as organizational transformation is concerned, particularly the introduction of results-based management, there has been an unprecedented level of internal mobilization and effort from 1998 onwards to honour the commitments reflected in the funding strategy. Second, there has been an increasingly broad-based and enthusiastic consensus that the introduction of results-based management concepts, methods and tools (linked to the funding strategy) is essential for both institutional renewal and implementation of the UNDP Administrator's business plans.

60. It is very much envisaged that the issue of attaining agreed funding targets will continue to be a key subject of discussion among States members of UNDP. It will be extremely important to maintain high-level involvement, to translate the momentum created by the success of the UNDP ministerial meeting into a sustained process of engagement at the political level around MYFF that ensures the concrete rebuilding of political and financial support for a strong role for the United Nations in development in general and for a better funded UNDP.

61. In UNICEF's case, the organization has been practising results-based management for more than a decade now (through such projects as "Universal child immunization by 1990"), though without using the term "results-based management" until quite recently. Much of UNICEF's efforts to reinforce results-based management under MYFF involves formalizing and systematizing what has long been standard practice at all levels of the organization, and reporting more systematically on the results achieved. Since the time that has elapsed after the approval of UNICEF's MYFF by its Executive Board has been relatively short, it is difficult to comment on the effectiveness of MYFF as a tool for guaranteeing a more predictable stream of regular resources and increased burden-sharing among donors, but so far the effect on regular resources is modest. The long-run stagnation of UNICEF's regular resources income is a cause for concern to the organization, as it is for the other funds and programmes of UNDG. UNICEF expects that its efforts to refine and improve its long tradition of results-based management, including the reporting on results to its Executive Board and donors, combined with

reinvigorated political will resulting from the special session of the General Assembly on Children to be held in 2001, will soon bear fruit in terms of a more predictable and positive growth of regular resources income.

62. In many ways, the period since the adoption of MYFF has not been ideal for the implementation of UNFPA programmes. The priority focus of UNFPA is on support to poorer countries and those furthest from ICPD goals. However, the heavy allocation cuts, triggered by past declines in core resources, were a severe blow to programme countries. Despite efforts by country offices and partners to review and prioritize programme efforts, identify activities with the highest impact and reduce the reach of programmes, the reduction in funds inevitably lessened progress towards results. That experience emphasizes the urgent need for increased core resources with multi-year commitments if there is to be any sustainability in programme efforts and if results are to be achieved. The small increase in core resources in 2000 has been accompanied by a larger increase in non-core resources, often earmarked for support to certain thematic areas. While such supplementary funding is welcome, the challenge is to ensure that those resources are being used to contribute to MYFF goals, and to measure their progress through comparable indicators and benchmarks.

63. The UNFPA MYFF situation analysis confirmed critical problems with data availability, reliability and periodicity at the country and programme levels, a challenge that is shared with all United Nations agencies and presents major obstacles to the implementation and monitoring of MYFFs and all results-based approaches. UNFPA will remain flexible and responsive in its approach in order to appropriately meet priority needs in regions and in the countries, and MYFF must remain a work in progress as new country programmes are developed. The new generation of country programmes, many of them scheduled to begin in 2002, will provide the first real opportunity to set in place the data systems necessary to monitor, evaluate and report on results in the context of MYFF. UNFPA is committed to this approach but recognizes that it will take time to show results.

64. UNFPA will continue to pay special attention to building national ownership of the country programme and its results, involving national partners throughout the programme development and management process; building national capacity in data collection and analysis; and establishing mechanisms for better coordination among different national partners.

65. Since WFP's new resource mobilization strategy and governance papers were approved in late 2000, it is too early to judge their impacts upon the availability, predictability and security of core resources. Expectations are, however, that the measures recommended in those papers will greatly improve the ability of WFP to demonstrate the results of its interventions, account for the use of resources and recognize the key roles played by donors and host Governments, which will encourage donors to provide more stable resources.

66. The few examples cited above provide a glimpse of the thinking and investments which have placed the UNDG funds and programmes clearly on the map in the conceptualization and application of results-based management. That outcome is a direct reflection of the seriousness and sense of purpose with which the organizations have striven to apply key elements of the revised funding strategy approved by their executive boards.

67. There is, nevertheless, more to accomplish in order to fully internalize the philosophy and practice of results-based management, which underpin the funding strategies of the UNDG funds and programmes. For example, operational policies and procedures, as well as business processes, generally need to be substantially streamlined and simplified in order to enable operating units to use resources flexibly to achieve results responding to programme country priorities. In that context, the implications of results-based management for the utilization of UNDAF, in particular in terms of its impact on United Nations programming processes and tools, need to be addressed more fully; the skills base of programme staff, including in basic programme/project planning, management, monitoring and evaluation, needs to be upgraded; and there is a need for information and knowledge management systems to be used and adapted to reinforce the virtuous cycle of testing, application, learning and adjustment which has been a hallmark of the results-based management initiative.

E. Recommendations

68. The Council may wish to consider the following recommendations:

(a) Increased multi-year pledging is necessary as a floor from which core resource commitments can continue to grow;

(b) The resource mobilization is the collective responsibility of all participants in the process and the executive boards in particular. In order to permit the resource mobilization efforts of the executive heads of the United Nations funds and programmes to be successful, collective efforts and necessary political will of the international community, particularly all donor Governments, are essential;

(c) In order to attain the objectives of MYFF it is essential to secure means by which the adequate funding of the United Nations in development remains on the agenda of ministers. To facilitate their consistent engagement around MYFF will require an active and continuing process for addressing the clear need and taking action to secure achievement of the agreed funding targets;

(d) To that end, it would be essential to develop specific procedures for the required funding of development, in the context of the financing for development process;

(e) Since funding commitments to the United Nations funds and programmes remain voluntary, Governments should be further encouraged to ensure that funding commitments become predictable and that shared responsibility can be relied upon for expanded resource/donor base;

(f) Partnerships among United Nations agencies need to be enhanced for the work towards common goals and for strengthening sources of data for goal-level indicators, (e.g., such areas as gender equality, human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) prevention and poverty alleviation);

(g) It is equally fundamental to strengthen the monitoring capacity of programmes to show evidence-based progress by investing and collaborating with the United Nations development system in the collection of required data.

II. Evaluation of the United Nations Development Assistance Framework

A. Background

69. The United Nations reforms have pursued the objective of responding to the demand for greater coherence in operational activities for development of the United Nations system through measures that aim at a greater coherence in planning, programming and implementing development assistance.[4] Efforts have been made to create country-specific frameworks of collaborative policy planning as a common starting point for the programme activities of all United Nations system organizations (see A/51/950, para. 20).

70. The main instruments used for this purpose are the United Nations Development Assistance Framework and the common country assessment. UNDAF was introduced in 1997 in a group of 18 pilot countries as part of the United Nations reforms. CCA is now considered an essential first step for its formulation (see General Assembly resolution 53/192, para. 22) but it predates the reforms: it was initially launched by the former Joint Consultative Group on Policy.[5] Other mechanisms, such as the strategic framework and the Consolidated Appeal Process (CAP), are used in special situations. The World Bank has launched such frameworks as the comprehensive development framework and the poverty reduction strategy paper (PRSP), which are also relevant to the activities of the United Nations system.

71. Responding to a request of the General Assembly in paragraph 63 of its resolution 53/192, the Department of Economic and Social Affairs of the United Nations, in collaboration with UNDG, has conducted an evaluation of UNDAF, looking for results of using UNDAF as a means of promoting more coherent programming of system operational activities. The evaluation focuses on the benefits that recipient countries can draw from this process and its contribution to the coherence and effectiveness of the United Nations system's operations. This evaluation cannot be complete without assessing the effectiveness of CCA.[6]

72. The present section summarizes the evaluation. It assesses whether UNDAF and CCA are integrated or harmonized with national development efforts and planning mechanisms. It also analyses the interaction of these frameworks and their complementarity with CDF and PRSP, following the call by the Council for greater consistency between all these instruments (see Council resolution 2000/20, para. 12).

73. The evaluation draws on a number of sources, including an external evaluation of specific country cases and consultations with system organizations and Member States.[7] The key issues addressed are the following:

(a) Impact on recipient countries:

(i) Does UNDAF produce any benefits or costs to recipient countries?

(ii) Has the UNDAF process been implemented with full participation and ownership of national entities, including Governments and civil society?

(iii) Have national ownership of the system-supported programmes and national capacity to coordinate external aid been strengthened through UNDAF?

(b) Impact on the United Nations system:

(i) Has the introduction of UNDAF affected the functioning of the United Nations development system and its effectiveness at the country level?

(ii) Has UNDAF been the result of an extensive participation of system organizations, and what kind of synergies has it produced among them?

(iii) Has UNDAF promoted goal-oriented collaboration, programmatic coherence and mutual reinforcement for a more integrated response of the United Nations system to national development needs?

(iv) What are the key difficulties met by the system in implementing the UNDAF?

B. Status of UNDAF

74. After its initial launch in 1997, UNDAF benefited from the General Assembly's policy guidance through its resolution 53/192 (paras. 17-20, 22), in which the General Assembly stressed the country-driven nature of UNDAF, its participatory nature and its role in facilitating coordinated follow-up of conferences. Guidelines for its formulation were revised and ACC issued a supportive statement to implement the resolution (see ACC/1999/4; and E/1999/55/Add.1, annex, appendix I). UNDAF was then applied to the entire system and extended to a growing number of countries.

75. UNDAF has been completed in 28 countries[8] and work is in progress in 31 other countries (15 of them are expected to finalize it in 2001). UNDAF is planned in 29 other countries,[9] bringing to 88 the total number of countries where UNDAF is in some stage of preparation. In six countries, a second generation of UNDAFs has been produced, while in others work for a second round of UNDAF exercises is in progress.

CCA/UNDAF: progress by region, as of 15 April 2001

		CCA		*UNDAF*	
Region	*Number of countries concerned*	*Completed*	*In progress*	*Completed*	*In progress*
Africa	44	32	11	15	10
Asia and the Pacific	24	11	10	6	4
Arab States	16	6	3	1	4
Latin America and the Caribbean	25	19	5	3	11
Europe and Commonwealth of Independent States	22	8	9	3	2
Total	**131**	**76**	**38**	**28**	**31**

76. The introduction of CCA has made rapid progress over the last two years, being associated to the UNDAF process as a necessary precondition. As of 15 April 2001, CCAs have been completed in 76 countries, are under preparation in 38 other countries and are planned in eight countries. Therefore, CCAs, currently active in 114 countries, will eventually be used in 122 countries. A second generation of CCAs has been prepared in

nine countries, and two of them have worked for a third CCA.

77. Considering that 18 countries were engaged in the UNDAF pilot since 1997 and that the ACC guidelines suggested a time frame of 10 to 12 weeks for the completion of UNDAFs and four months for CCAs, progress has been slower than anticipated, especially for UNDAF. The 1999 guidelines recommended that UNDAFs be prepared only after CCAs are completed and the programme cycles are harmonized. Participation of Governments and other national partners, full involvement of the country team and other system organizations that are not represented in the country are also requested. All this is time-consuming, however necessary.

C. Impact of UNDAF on recipient countries

78. UNDAF should give a renewed impetus to the development role of the system by establishing a planning framework for its country-level operations. Its ultimate goal of UNDAF is to enhance the impact of the system's cooperation on the development and well-being of recipient countries. Its immediate objectives are the enhancement of internal coherence among system operations and of their effectiveness and relevance[10] and are not expressed in terms of national development targets. It is important to ask whether CCA and UNDAF have a direct positive impact on recipient countries beyond its effects on the United Nations system, and for the individual agencies of the system to elaborate the implications of that impact in their respective fields of competence.

1. UNDAF and the integration of United Nations assistance with national efforts

79. UNDAF is expected to orient the United Nations system's assistance towards objectives that reflect "a convergence among priorities in national programme frameworks or strategies, regional and inter-country considerations, and global development objectives".[11] Various sources confirm that it provides recipient countries with a greater understanding of the system's role in development.[12]

80. Does UNDAF favour integration of operational activities with national development efforts? UNDAFs so far finalized are based on national policy frameworks. Evidence exists that UNDAF can lead to a better integration and harmonization of country programmes with national development plans.[13] In the view of Member States and country teams, this is a valid role for UNDAF,[14] although fewer donors share this view.

2. UNDAF and national capacity to formulate and coordinate development policies

81. Does UNDAF enhance the Government's capacity to address challenges, formulate policies and coordinate internal efforts and external assistance? The external evaluators believe that there is not enough factual evidence that UNDAF provides an input to national policy formulation,[15] nor that it always assists the Government through better development planning and policy formulation or more effective coordination of sectoral and intersectoral policies or better donor coordination.

82. UNDAF is not always synchronized with national planning. In the view of the external evaluators, UNDAF cannot play that role because its documents often make only generic references to the need for further coordination, joint programming, co-financing, joint monitoring and evaluation. They are often expressed in vague terms, lack specificity and seldom identify targets, expected results[16] and timelines for selected priority areas. No adequate monitoring and evaluation mechanisms are built in. It is not clear whether current CCAs have been able to provide national authorities with analytical information essential for development planning. There is some reluctance in accepting CCA as a source of new relevant information on development. When it was first introduced, it made large use of existing data. Since recent progress with the indicator framework has expanded the information base of CCA, the solidity of its development analysis has increased.

83. CCA should contribute to building the analytical capacities of national partners that actively participate in the process, in the area of statistics and development data analysis, identifying data gaps and measures to remedy them. Full participation of those partners is a key condition for this impact. When the involvement of the Government[17] consists mainly of reactions to documents that the country team has formulated, with only marginal consultation with the Government, this capacity-building impact is hardly evident.

84. At the Skytop workshop on UNDAF, evidence was shown that CCA and UNDAF have enhanced coordination among national stakeholders in specific countries (including inter-ministerial coordination) when the Government is fully involved from the outset,[18] stimulating cross-sectoral dialogue among national entities and external actors.

85. Field observations confirm that UNDAF has helped one Government in reviewing the system's approach to cooperation, identifying priority areas on which the United Nations will focus its cooperation. There is no clear evidence that current CCAs have contributed to assist recipient Governments recognizing the development role for the United Nations system or establishing benchmarks for the system cooperation.

86. An impact evaluation study on Madagascar[19] shows that UNDAF may reduce the fragmentation of operations and favour an integrated programme approach. The external evaluation, the Skytop workshop on UNDAF and a few impact evaluation studies identified cases where UNDAF generated opportunities to address sensitive issues (human rights, internally displaced persons and alternative development strategies). This is possible only if UNDAF is based on a forthright dialogue with national interlocutors on these sensitive issues.

3. Technical quality of CCA and UNDAF

87. The limitations that hinder the use of CCA and UNDAF as inputs to the policy-making process raise doubts whether these documents meet minimum standards of technical quality. Both the external evaluation and the consultation at the Skytop workshop expressed concerns about this, calling for improvements in quality control. A quality assessment of finalized CCAs and UNDAFs does not lead to uniform conclusions. The UNDG learning network observed that their technical quality is improving but is still uneven.[20] Some documents lack focus, are not founded on an adequate database, omit in-depth analysis of key development factors.

88. A good UNDAF requires a good CCA. A high number of country teams (60 per cent) and organizations (56 per cent) recognize that CCA can be a good instrument to provide a deeper understanding of key development challenges of the country. The quality of the analysis in completed CCA is uneven.[21] In some countries, CCA turned into a useful background reference to the system organizations for their programming exercises and a potentially powerful tool for policy dialogue. It is a valid way to enhance country–level monitoring of international goals and a useful contribution to information-sharing with other stakeholders, either national and international.

89. In some other countries, a descriptive approach prevails, identifying only trends and quantifying indicators,[22] not including the analysis of the underlying causes of development problems required to identify priorities for action. The external evaluators observe that CCAs do not always cover all relevant sectors of the society.[23] The quality and variety of analytical knowledge that a good CCA requires may call for an improvement of the skill profile in the country teams.[24]

4. CCA/UNDAF and follow-up to global conferences

90. Several Member States and the great majority of the country teams[25] recognize that UNDAF, together with the CCA indicator framework and other inter-agency mechanisms, provides some support to the coordinated country-level conference follow-up, as suggested in paragraph 22 of General Assembly resolution 53/192, focusing on cross-cutting issues identified in the conferences. In the view of the external evaluators, this is an area where more efforts should be made, recognizing current initiatives that focus on assisting countries in measuring/reporting progress towards conference goals, including Millennium Summit goals, mainly through the CCA indicator framework.[26]

91. Surprisingly, only a small number of country teams (9 per cent) emphasized the role of the CCA indicators as a key vehicle to promote conference follow-up, while the 1999 resident coordinator annual reports highlight that the CCA indicator framework facilitates country-level conference follow-up, establishing benchmarks for monitoring national priorities and comparing internationally agreed objectives.[27]

92. The establishment of an indicator database for national development priorities and conference follow-up is indicated as one of the major results of CCA. When national data are not available, CCA opens the way to capacity-building opportunities to develop

competencies in statistical areas, such as gender-based indicators, accessibility to public goods, rights-based indicators and subnational development data, identifying data gaps and constraints that may require efforts to support national statistical systems.[28]

5. National ownership and participation in UNDAF

93. Previous section have stressed the importance of a thorough national participation in CCA and UNDAF. In its resolution 53/192, the General Assembly called for full government participation and ownership in all phases of UNDAF. This participatory approach is a key principle also in other exercises (e.g., the comprehensive development framework and PRSP). There are mixed signals about the implementation of this criterion. Sometimes the Government becomes fully engaged, but in other cases participation is limited to a formal consent or comments on finished products, transforming this requirement into a formalistic ritual.[29] CCA and UNDAF are perceived as United Nations processes, with no uniform approach to national participation.[30]

94. In the views of the external evaluators, there are no consistent attempts to ensure full involvement of the Government in CCA from the outset, thereby reducing the potential benefits obtainable by participating in conceptualization activities, data collection, data analysis and preparation of CCA documents. Country teams and Member States agree that inadequate government participation, and consequently limited national ownership, are key obstacles. More than 50 per cent of the country teams subscribe to that conclusion. Member States expressed a more cautious view, even though several of them agree with its premise.[31] Several Governments did not express any views on the subject and some suggested that it is too soon to reach conclusions.

6. Involvement of civil society

95. National participation should not be limited to the Government but should include other national stakeholders from the civil society from the outset.[32] There is an increasing awareness among both country teams and Member States[33] that participation of relevant stakeholders in development analysis and strategy design is crucial to achieve a high-quality CCA and UNDAF. Through their inclusion, new analytical and development dimensions are added and comprehensiveness in the analysis and the strategy is ensured, broadening consensus-building on priorities for United Nations system's cooperation.

96. In the view of the external evaluation, participation of these entities in system activities has often been limited to the involvement of non-governmental organizations and civil society organizations in programme implementation, limiting their involvement in assessment activities and designing strategies. Civil society organizations are invited to provide their inputs to the UNDAF and CCA only at too late a stage, when priorities are already set[34] and it is difficult to identify civil society organizations that are really representative of relevant interest/target groups.

97. A desk review of UNDAF documents shows that country teams have only recently broadened their attention to national participation. There are obstacles that do not facilitate a high attention to participation: (a) the need to produce a timely UNDAF; (b) in some countries, high political sensitivity on participation of non-governmental components; and (c) civil society organizations often have a limited internal capacity to interact in effective consultation with the United Nations system.

7. Burden of increasing transaction costs

98. One of the major concerns of recipient countries is that the preparation and monitoring of CCA and UNDAF require the commitment of considerable resources, time and skills.[35] CCA and UNDAF produce an increase in the "transaction costs" for both the countries and the system organizations. The countries ultimately have to bear these additional costs to receive support from the system, and that extra burden may not be sustainable when resources in public service are limited. CCA and UNDAF also impose considerable and unprecedented additional workload on the United Nations system, requiring inordinate amounts of work from system organizations to attend thematic groups and other liaison meetings, formulate documents etc. This is particularly so for specialized agencies, which are thinly staffed at the country level.

99. The two processes produce higher workload for resident coordinators, who have a major leadership and oversight role, combined with other tasks in aid coordination, policy dialogue, conference follow-up and resource mobilization. Other country

representatives share the higher burden. In terms of opportunity costs, public officials and United Nations system programme officers interviewed by the external evaluators complained about the extra work that both processes entail, which is added to other diagnostic exercises (e.g., PRSP, comprehensive development framework), proliferating thematic groups and duplicating efforts, meetings and preparatory papers.[36] System personnel in country assignments estimate that such extra work represents between 10 and 20 per cent of their time.

100. It is difficult to express all these costs in monetary terms. The external evaluation highlights that resources for the resident coordinator funds, which totalled $11,458,000 in 1999 (of which $9,596,000 were disbursed) have primarily been used to support collaborative programming efforts (CCA/UNDAF preparation), information and advocacy initiatives, conference follow-up and common premises and services.[37]

101. CCA and UNDAF were expected to lower transactional costs to government through a "replacement effect", reducing requirements for country programming. There are indications that some progress has been attained (see E/2000/46/Add.1, paras. 27-35). However, preparations for country programmes still require separate sets of activities, missions, documentation and unsynchronized approval processes. Governments confirmed the perception that both processes add bureaucratic mechanisms to the existing procedures and requirements. Agencies and UNDG regard this area as an area of the highest priority.

D. Impact of UNDAF on the United Nations development system

102. The impact of CCA and UNDAF is most evident on the country-level functioning of the United Nations system. All sources confirm this result, either in factual terms or as potentially very significant. The great majority of country teams consulted attach the highest priority to UNDAF since it establishes a framework for country programmes, identifies common strategic priorities and is an important team-building mechanism. The majority of the country teams engaged in CCA and agency headquarters agree that CCA helps in preparing UNDAF, identifying a common understanding of strategic directions for the system. Both processes have contributed to develop a "system culture" among United Nations officials involved in the country teams.

103. Although there is a trade-off between these two processes and the urgent country-level emerging demands, including special situations (national disasters or civil unrest), only 11 per cent of the country teams believe that these factors supersede the focus on UNDAF. Only a small percentage of country teams express doubts about the added value of UNDAF. For them, the value added is not yet completely evident, and headquarters of the system organizations have not given adequate indication of the high priority of UNDAF.

1. CCA/UNDAF and internal cohesion of the United Nations system

104. The external evaluation observes that CCA and UNDAF have reinforced the collective identity of the United Nations country teams through the mutual enrichment that comes from information-sharing and joint partnership in designing a cooperation strategy. This is particularly the case when team members have been directly involved in the preparation of the CCA and UNDAF documents, with minimal use of external consultants.

105. Most country teams share this view, reporting that as a result of these processes they have a stronger sense of team identity, better communication and networking within the system and greater understanding of their role as a system. Donors and some recipient countries consulted for the present triennial comprehensive policy review confirmed the high relevance of this effect of UNDAF as a means to enhance the internal dialogue within the system on country-level cooperation[38] and in the promotion of a common understanding of strategic directions.[39] Decentralization and delegation of authority by most organizations have strengthened this team-building effect. There is extensive evidence of more intensive teamwork in strategic programming around cross-cutting and cross-sectoral issues and of system-wide concurrence with respect to conference follow-up.

106. Nevertheless, in the perception of the external evaluators, UNDAF is still a headquarter-centred process and not sufficiently country-led. Some country representatives have recognized that their agency headquarters or their regional structures are not fully

supportive of UNDAF, leaving them exposed to uncertainty about modalities and extent of their participation. The external evaluators also recognize that CCA and UNDAF have induced a more positive response of major specialized agencies to a coordinated approach to analysis and strategic planning. Both processes have failed so far to integrate a regional perspective, with adequate involvement of regional commissions.

2. Participation of United Nations system organizations

107. The impact of CCA and UNDAF as team-building instruments depends on the extent to which system organizations participate in their formulation. Country teams confirmed that this participation has reached significant levels. Only for a small fraction of them and a few recipient and donor countries is this involvement inadequate.

108. Nevertheless, system-wide participation is uneven and varies among agencies within the country and from country to country. Concerns regard the limited involvement of those agencies with direct country representation. The involvement of the Bretton Woods institutions in the CCA and UNDAF processes was not uniform, ranging from moderate to significant.

3. Programmatic coherence of the United Nations system

109. Have these two processes, in particular, UNDAF, produced, in addition to a team-building effect, any higher coherence in system operational activities, establishing a common planning framework, with common goals and an agreed cooperation strategy? The main function of UNDAF is to lay the foundations for cooperation among the system as well as with the Government and other partners through a complementary set of programmes and projects. Therefore, its operational effectiveness depends on the extent to which country programmes of individual organizations are harmonized. Consultation with the system shows these effects:

(a) UNDAF has provided a common framework of priorities for country programmes;

(b) It has enhanced selection and focus on well identified strategic priorities;

(c) It coincided with enhanced harmonization of programme cycles;

(d) It has induced the adoption of definitions of process and products for enhancing UNDG programme collaboration and procedures to promote joint programmes and joint mid-term reviews (see E/2000/46, paras. 165-168);

(e) It has been the raison d'être for joint sessions of the Executive Boards of UNFPA/UNDP and UNICEF (with the participation of WFP) and the decision that the submission of country programmes to the Boards for approval should always be accompanied by the corresponding CCA and UNDAF, where they exist.

4. UNDAF and individual country programmes

110. UNDAF should be formulated in advance of individual agencies' programmes and should provide the priorities for their own country programming. Several agencies believe that this is a key function of UNDAF. Consultations with system organizations show mixed results as for the extent to which UNDAF plays this key function, showing different perceptions of the relation between UNDAF and agency programming. Small technical agencies do not recognize any influence of UNDAF on their own programming, but most system organizations (in particular funds and programmes, followed by large specialized agencies) are taking measures to incorporate UNDAF in their agency country programming, adjusting their procedures.

111. Since the UNDAF process has only been in effect over the last four years and in a number of countries has only recently been completed, evidence of its impact on individual country programmes is still modest. Most UNDAFs in the pilot countries were formulated at mid-cycle of approved country programmes and could not have any measurable effect on the orientation of existing approved programmes.[40] It was possible to verify that more recent programming efforts, including the preparation of country programme revisions, have been able to reflect the priorities established in the UNDAF process, confirming the role of UNDAF as a framework for development assistance. It is not yet possible to assess whether this influence of UNDAF on the country programmes is substantive or is limited to a ritualistic

reconciliation of each country programme with commonly agreed categories of generic objectives.[41]

5. UNDAF and procedures for country programming

112. The complex interaction between UNDAF and country programming faces difficulties of synchronization[42] and reconciliation of procedural requirements. The external evaluation concluded that, of all issues raised by country teams and Governments, this issue was raised the most as the single biggest barrier to joint programming activities, to the creation of a modern holistic image of the United Nations and to the ability of the United Nations to participate in innovative programme approaches to development.[43] Several organizations' headquarters and country teams agree with this view.[44] Moreover, agency-specific programming at the headquarters level may be completely detached from an integrated approach to harmonized programming according to UNDAF, contradicting the intentions and expectations of several organizations. In addition, there is pressure on country personnel to carry on their own programming activities as a first priority.

113. There is a need for simplification procedures, which may regard not only country programming but also the formulation of UNDAF and its implementation. Some organizations believe that the UNDAF process is too cumbersome. One procedural dimension concerns the modalities for country programme approval. In its decision 2000/12, the UNDP/UNFPA Executive Board requested UNFPA to propose to the other members of UNDG to establish a working group to develop a common country programme approval process so that a substantive, timely and joint submission of country programmes could be introduced. A proposal for harmonizing approval procedures was prepared by UNDG[45] and submitted to the executive boards. It reduces the burden imposed by current procedures, maximizing synergies between UNDG partners; stresses decentralization; and maintains visibility for each individual organization. The proposal intends to ensure accountability to the executive boards as well as the centrality of the CCA/UNDAF processes as the basis for programme development.

114. The proposal assumes that CCA is the centrepiece of UNDG country-level analytical efforts, and that UNDAF is the common planning framework for operational activities in the country and should become the starting point of collaborative programme development and planning, forming the basis for individual country programmes. UNDAF should become the "business plan" of the United Nations, without which individual country programmes cannot be formulated, discussed or approved by the executive boards.

6. UNDAF and replacement effect

115. One of the advantages of the UNDG proposal is to simplify the way in which individual funds and programmes handle their own situation analyses in their country programming and their integration with the CCA/UNDAF processes. In the view of the external evaluators, CCA and UNDAF should be a replacement mechanism if they want to have any programming meaning, instead of adding a higher tier of planning paperwork. The idea is simple: there should be only one single diagnostic process for the United Nations system that predates the preparation of the country programmes, and CCA should be the tool around which this diagnostic process is carried on. This does not exclude agency-specific diagnostic exercises being added but any such additions should complement and be synchronized with CCA.

116. The Secretary-General has already reported on the progress achieved in this area, reducing requirements in the pre-programming phase.[46] The Skytop workshop on UNDAF recommended setting a precise timetable for replacing agency-specific diagnostic and strategic planning exercises with CCA and UNDAF.

117. The external evaluators highlighted that, except for the examples already mentioned above and the current attempt to streamline the programme approval processes, there is no systematic evidence that a replacement mechanism is taking place within the system. Several organizations from the system still prefer relying on agency-specific diagnostic work rather than using CCA for that purpose. The question is whether CCA replaces all agency diagnostic activities or is a process around which all diagnostic activities are harmonized, including those that are agency-specific.

7. UNDAF and joint programming

118. In the view of 35 per cent of the country teams, one of the main results of UNDAF (and the CCA process, as it will be soon clear) is that it leads to collaborative programming, implementation and monitoring, including joint programming among system organizations. CCA and UNDAF have created favourable conditions for joint programming, without altering the current institutional separation among individual country programmes.[47] Efforts are multiplied to promote joint initiatives, joint programmes, joint mid-term reviews, joint evaluation efforts, joint services etc.

119. That does not entail that the implementation of UNDAF leads to the complete unification of the country programmes into one single joint country programme. A joint programme can be developed within the framework of approved agency country programmes, defining linkages among the responsibilities of all participating organizations. UNDAF may become something more than an overall strategic framework and establish more stringent links among country programmes as a country-level business plan for the United Nations development system. This is also the expected effect of the UNDG proposal to harmonize approval procedures.

120. Only 27 per cent of the country teams consulted indicated that a key feature of UNDAF is to facilitate the strategic use of the limited system resources on few specific priorities. Therefore, at this stage country teams give a low grading to the use of UNDAF as a programme resources framework, which is key to develop joint country programming.

121. In June 2000, UNDG adopted a guidance note, prepared in collaboration with a number of country teams, to assist United Nations system staff and national authorities in formulating joint programmes, identifying possible arrangements for financial accountability and programme management. The use of that note was encouraged at the country level to enhance synergy within the system. A wider system-wide consideration of that initiative in the ACC context is currently being launched on a pilot basis, with the support of the working group of the United Nations resident coordinator system.[48]

122. The annual reports of the resident coordinators offer several examples of joint programmes, especially in cross-sectoral initiatives, such as area-based and integrated or joint initiatives, focused on such issues as poverty eradication and environment;[49] the joint programme for the development of a human development profile and strategy for Egypt;[50] an initiative for community-based primary education in India;[51] and the promotion of a multisectoral response to HIV/AIDS, sexually transmitted diseases and drug use in Kazakhstan.[52] The establishment of jointly financed activities is an area that could intensify as UNDAF makes progress since for the first time the system is concentrating on the implementation of an agreed set of common priorities, as identified in CCA and UNDAF.

8. Resources in support of CCA and UNDAF

123. Do the CCA and UNDAF processes receive enough support by the United Nations system? Considerable technical support and resources were provided, in particular through the UNDG, to facilitate the introduction of UNDAF and the extended implementation of CCA. Approximately 1,500 staff from 42 country teams have been assisted through 36 in-country workshops, with the support of the United Nations Staff College and a pool of 70 trained resource persons from 15 organizations. Agency headquarters participated in 15 workshops in Geneva, New York, Vienna, Rome, Paris and Bonn in 1999, while five regional workshops were organized from May to November 2000, in collaboration with the regional commissions and with the involvement of other system organizations.

124. It is difficult to make a financial estimate of the system's support to UNDAF since the cost of CCA and UNDAF has not been calculated. The external evaluation of UNDAF suggested that the funding of the process should be further augmented and that the principle of cost-sharing should involve all participating organizations.[53] There is no uniform position of the system about this need. A considerable portion of country teams (45.2 per cent) and agency headquarters (48 per cent) believe that one of the main obstacles to UNDAF is the lack of resources to support the process.[54]

125. The majority of the United Nations funds and programmes (except WFP), which have been the main financial supporters of the process, do not single out the lack of resources as a constraint to UNDAF. The same position is shared by most small technical agencies, which do not recognize a direct benefit of

UNDAF to programme their own activities. All the large specialized agencies that replied to the consultation for the triennial comprehensive policy review and all the regional commissions stressed the limitation of resources as a central obstacle to UNDAF, and so did the Office of the United Nations High Commissioner for Human Rights and the International Fund for Agricultural Development (IFAD). All these entities belong to the group of organizations that are eager to have a stronger role in UNDAF. It appears that there is a possible correlation between the concern for the inadequacy of the resources to support UNDAF and the difficulty met by individual organizations in ensuring their participation in the process.

126. There is a much less evident concern for the relevance of the resource constraint in the case of CCA, except for the large specialized agencies, which still consider it a great obstacle to CCA (and perhaps to their participation in that process). In conclusion, there is no uniform position in the system about the need to increase resources to back up the CCA and UNDAF processes as the main vehicle to promote the exercises, since that constraint is relevant mostly to organizations that have difficulty in ensuring their participation.

9. Technical support to CCA and UNDAF

127. The above discussion on the technical quality of CCA and UNDAF as a possible constraint to their use by recipient Governments raises a number of questions. Does the United Nations system adequately support those processes in technical terms? Does it provide the technical expertise that is required to formulate technically sound documents? Is technical support available to country teams or is it provided through back-up services by regional offices or headquarters? Do country teams have the necessary technical skills to provide high standards to produce quality documents of analytical and strategic nature?

128. The external evaluation stressed the uneven level of technical capacities in the country teams, which may have affected the quality of both UNDAF and CCA. Some impact evaluation studies have expressed the same concern. The question is more relevant in the case of CCA because of its stronger analytical content. The external evaluators concluded that efforts should be made to take fuller advantage of the United Nations system's diversity of mandates and perspectives in order to ensure high-quality, more professional and objective CCAs.

129. Consultations with the headquarters of the various organizations of the system provide different views of the subject. The remarkable effort undertaken by the United Nations system to launch CCA and UNDAF, including all training initiatives and support from headquarters, is impressive; its equivalent has never been seen in support of system-wide programming efforts in the history of operational activities. At the same time, the combined presence and support from all funds, programmes and specialized agencies makes one presume that the system has sufficient competence to address the requirements for an overall vision of development priorities and their various sector-wide dimensions. In response to the questionnaires for the triennial comprehensive policy review, several organizations confirm that this is the case in several countries, where country teams are qualified on a broad range of issues that are at the core of system support. Some of these organizations also stress that the technical profile of the country teams should be improved to face specific new challenges (e.g., in the areas of human rights, internal conflicts and the private sector).

130. In the view of some agencies, the level of technical backstopping to the country teams engaged in UNDAF and CCA varies considerably from one organization to another and from country to country. Some skills that are not available at country level may still be available within the system, either at the headquarters or at a regional level (e.g., trade, human rights, strategic cross-sectoral analysis and globalization). The problem is how to ensure the provision of that expertise when it is available only within organizations with no country representation.

131. This is why certain organizations have highlighted the inadequacy of resources required to provide that technical support. The use of local expertise available in the recipient countries has already been an important source of technical support, as shown through the use of national consultancies. The question is whether the United Nations system has a special expertise in certain areas that is not adequately covered by national experts. The variety of organizations in the United Nations development system confirms that there are several entities that are repositories of relevant technical capacities that are required for a good UNDAF and CCA. Whether or not those capabilities are available in the country teams or are still concentrated at the headquarters or in regional

or subregional offices varies from one organization to another and from country to country. When the expertise is external to country team, the question arises whether it is rapidly deployable to support the UNDAF and CCA processes, when required, to backstop country demands. The issue of the technical profile of the country teams thus becomes relevant for the effectiveness of the support that the United Nations system provides to CCA and UNDAF.

E. Relations with other instruments and approaches

132. The relationships of UNDAF and CCA with other instruments and approaches require some attention either for their possible complementarity or for the risk of duplication. There is a need to achieve synergy among all these processes. The reciprocal participation of the United Nations funds, programmes and specialized agencies, on the one hand, and the Bretton Woods institutions, on the other, in UNDAF and CCA, as well as the comprehensive development framework, PRSP and sector-wide approaches should be further promoted. The external evaluation of UNDAF called for a better sequencing of all these frameworks in order to maximize their individual contribution to development cooperation coordination. The Economic and Social Council, in its resolution 2000/20, paragraph 12, reiterating General Assembly resolution 53/192, encouraged greater cooperation between the funds, programmes and agencies of the United Nations and the Bretton Woods institutions, ensuring, under the leadership of the recipient Government, greater consistency between the strategic frameworks developed by all of them.

1. UNDAF/CCA and the comprehensive development framework

133. The first obvious link is between UNDAF and the comprehensive development framework, launched by the World Bank in January 1999.[55] The comprehensive development framework is a process by which countries can manage knowledge and resources to design and implement effective strategies for economic development and poverty reduction by pursuing a holistic approach to development over the long term of 10-20 years.[56]

134. The comprehensive development framework was first introduced in a sample of 13 pilots,[57] where authorities had expressed interest in putting into practice a critical mass of the comprehensive development framework principles. A growing number of non-pilot countries are implementing elements of the comprehensive development framework approach. Currently, the number of countries that are being tracked by the World Bank for the implementation of the comprehensive development framework principles (in PRSP countries) has expanded to 43.[58] Overall, the progress so far made in the pilots is uneven[59] and so is its pace and depth, depending on different country circumstances, unforeseen developments and the different focus that each country adopted. The process to obtain the formal commitment of the Government to a comprehensive development framework process is probably longer than anticipated. This may explain in part the reduced number of countries where the process has been successfully accomplished, as compared with the CCA or UNDAF exercises.

135. The comprehensive development framework principles[60] are compatible with the concepts and guiding principles adopted for UNDAF and CCA. They are based on the same approach as regards partnership and ownership. Both CCA and UNDAF reflect a holistic approach to development since they focus on a wide spectrum of development issues, which are those highlighted by the major United Nations conferences and their country implementation. As in the comprehensive development framework, both CCA and UNDAF provide the basis for a result-oriented approach through the use of the CCA indicator framework and the UNDAF programme resource framework.

136. In spite of these conceptual similarities, there is a major difference between the comprehensive development framework and the CCA/UNDAF processes: the comprehensive development framework is more of an approach and a process, not a strategy for analysis and implementation. By contrast, PRSP is a strategy. CCA is the analytical tool that the United Nations system and other partners develop with the Government to outline critical development challenges. These can feed into and derive from national plans and frameworks, including, where it exists, a comprehensive development framework, and of which the PRSP may be one part of the Government's overall development strategy. UNDAF is the business plan for the United Nations system and the country assistance strategy is its equivalent for the World Bank. While

experience has shown that linkages can be developed in different scenarios with different instruments being prepared at different times, there remains the challenge of addressing the issue of sequencing, above all to ensure that support to national processes is optimized.

137. The example of Bolivia shows how the comprehensive development framework, built on a process of national dialogue that benefited from the support of the United Nations system,[61] has been launched before UNDAF. In that case, UNDAF will be formulated on the basis of the expectations expressed by the Government in the comprehensive development framework. In the countries where the comprehensive development framework is under preparation, UNDAF (together with its corresponding CCA), if available, should provide elements that enrich the identification of those development issues that are required to define a holistic approach to development policy-making in the country.[62]

138. The use of CCA as a foundation for analysis of policy and strategic choices at the country level has often been emphasized as the key contribution that CCA can make to the comprehensive development framework and PRSP. The external evaluation of UNDAF found examples in which CCA has been used as source of background information for group discussions with partners in the comprehensive development framework.[63]

139. After the comprehensive development framework was launched in 1999, UNDG issued guidance to country teams concerning the complementarities between the CCA/UNDAF processes and the comprehensive development framework. A United Nations system — World Bank learning group on the comprehensive development framework (and now extended to cover also PRSP) was established[64] by UNDG and the World Bank in the second part of 1999 to review jointly experiences at the country level.

2. UNDAF/CCA and PRSP

140. More attention has been recently given to the involvement of the United Nations system in the PRSP process. The poverty reduction strategy paper is a policy instrument launched by the Executive Boards of the International Monetary Fund (IMF) and the World Bank at the 27 September 1999 joint meeting of the Development and Interim Committees.[65] PRSP integrates poverty reduction measures and policies into a coherent growth-oriented framework of macroeconomic, structural, sectoral and social aspects of development.

141. Although PRSP is expected to adopt a long-term vision of social development, its time frame covers only three years, making it a much shorter-term instrument than the comprehensive development framework. PRSP was initially intended only for the 41 heavily indebted poor countries. Subsequently, it was extended also to some 30 additional International Development Association (IDA)-eligible countries. The complexity of PRSP showed the difficulty of completing the process on a fully participatory basis in time to allow the countries to benefit from early partial debt relief. Therefore, it was agreed that interim PRSPs (I-PRSPs) would be produced. At the beginning of 2001, 30 I-PRSPs and four full PRSPs (respectively for Uganda, Burkina Faso, the United Republic of Tanzania and Mauritania) had been completed and approved.

142. Since the United Nations system is already operating with initiatives that aim at poverty reduction as a key objective, its interaction with PRSP is of special relevance for individual recipient countries. Both the World Bank and IMF encourage the participation of the system, as well as other partners, in contributing to the development of PRSPs. Consultations have taken place at the headquarters and country levels to enhance this involvement. By the same token, the Bretton Woods institutions are expected to be actively involved and participate in the CCA and UNDAF processes, and there are several examples that confirm this involvement. Nevertheless, only a fraction (26 per cent) of the country teams consulted confirmed a significant participation of the United Nations system in PRSP and the comprehensive development framework.

143. There are expectations that these examples of close collaboration of the United Nations system in the PRSP process are going to increase to the extent that the use of PRSP becomes more generalized. The impact evaluation studies conducted by the Department of Economic and Social Affairs underlined the relevance of this collaboration in such countries as Madagascar,[66] Nepal and the United Republic of Tanzania. The external evaluation of UNDAF found several examples in which CCA has been used as input in the preparatory process of PRSP.[67] Linkages between the CCA/UNDAF and PRSP processes have been

established in the majority of countries where PRSPs or I-PRSPs are being undertaken (e.g., in Cambodia, Ghana, Honduras, Kenya, Nepal, Nicaragua, Pakistan and the United Republic of Tanzania, to name but a few).

144. Recently,[68] the following areas have been identified for a possible collaboration of the United Nations system with the Bretton Woods institutions in preparing PRSPs:

(a) Providing assistance to design and conduct household surveys and participatory poverty assessments;

(b) Developing national capacities to run poverty monitoring systems (including statistical and institutional capacities);

(c) Provide analytical contributions, also through CCA, in related thematic and sectoral areas where the United Nations system is particularly competent;

(d) Building up confidence among different national interlocutors for a participatory national dialogue on poverty issues;

(e) Contributing to the national efforts for donor coordination and resource mobilization.

145. Since PRSP has been introduced only recently, its relations with UNDAF and CCA are still at an initial stage. When all these instruments are employed, they often show similarities, highlighting converging views on development strategies. Poverty eradication has become a priority focus for development cooperation for the United Nations system, as recently confirmed by the United Nations Millennium Declaration (General Assembly resolution 55/2). Therefore, all these instruments should be related to assisting Governments in implementing the Millennium Declaration, and all should be assessed against the impact they have on reaching those targets.

146. An essential point is the sequencing between the CCA/UNDAF processes and PRSP. CCA has been conceived specifically for the purpose of providing a common comprehensive assessment of the development situation in a country before the system strategy is identified through UNDAF. The ongoing process of CCA also provides an opportunity to monitor and track progress made towards the conference goals. The usefulness of CCA for PRSP depends on the quality of CCA and its timeliness in relation to PRSP. CCA is expected to build on and inform analytical exercises carried out by individual agencies and other partners (e.g., poverty analyses, national human development reports, household surveys, social sector assessments etc.).

147. CCA can be a point of synthesis of all those assessment activities and prepare the way to all strategic exercises, such as the comprehensive development framework, UNDAF and PRSP. In order to play that role, CCA may need to expand its systematic updating and coverage to include a larger range of development issues, taking account of those concerns (in particular financial and economic constraints to development) that the Bretton Woods institutions need to address in the comprehensive development framework and PRSP contexts in order to use those instruments as a basis for their funding decisions.

3. UNDAF/CCA and sector-wide approaches

148. The ACC guidelines suggest that UNDAF provide the basis for articulating a more coherent and unified United Nations system response to sector investment programmes and sector-wide approaches adopted by the Government. This is expected to be an example of the broader application of the notion of programme approach and does not contradict the multisectoral character of development.[69]

149. Sector-wide approaches have increasingly been used in several countries. They are often associated with the extensive experience of the World Bank in this area. Nevertheless, bilateral donors are increasingly the predominant initiators of sector-wide approaches and their main supporters.[70]

150. In November 1998, UNDG started a reflection on the sector programmes and the possible involvement of system organizations in the development of sector strategies or sector investment programmes/sector-wide approaches. Special attention was given to the health and education sectors, where UNICEF and UNFPA have been piloting special initiatives. UNICEF, in particular, issued in September 1999 specific programme instructions to its field offices, outlining its role in sector-wide approaches to development (see CF/PD/PRO/99-001). Clear links need to be established between sector-wide approaches and the development support of system organizations through

the provision of technical expertise, support to institutional capacity-building and advocacy contribution in support of policy designing.

151. Several examples of participation of the United Nations system in sector-wide approaches may be found in the areas of agriculture, health and education.[71] The impact evaluation study on Mozambique shows the evolution of the sector-wide approaches in a country where the concept is still at an early stage. Both the Government and system organizations are reviewing this mechanism, considering the possible expansion of the involvement of the United Nations system in sector-wide approaches initiatives. Sector-wide approaches are sometimes perceived as a challenge for the United Nations system, when the Government is not seen in control of the mechanism but other external agencies take leadership positions, especially if they are endowed with greater financial resources.

152. Any intensification of the involvement of the United Nations system in the sector-wide approaches requires that there be:

(a) Strong leadership at the sector ministry level;

(b) Government commitment to support the sector-wide approaches;

(c) Consensus between the Government and the United Nations system on key policy and management aspects of sector-wide development;

(d) Economic and political stability in the country so that budget allocations at the sector-wide level are predictable.

153. The external evaluation of UNDAF underlined the potential contribution of CCA as an input to the preparation of sector-wide approaches.[72] Comparing CCA and sector-wide approaches, the need for joint assessment at the sectoral level is recognized. Donors increasingly stress the importance of a fuller participation of the United Nations system in sector-wide approaches, since these schemes are an effective way to facilitate collaboration among development partners. The United Nations system can find its right place in the sector-wide approaches, making use of its potentials in all different technical areas where its organization have competence and mandates.

154. One of the critical dimensions (and challenges) of the sector-wide approaches is addressing cross-cutting issues. By their nature, sector-wide approaches are vertical, and how they are managed horizontally to fit into a holistic strategy is crucial. In that regard, CCA and UNDAF provide a framework for helping to make those linkages, at least from the perspective of the United Nations system. UNDAF is placed at a strategic level, where cross-references with key sectoral strategies can be crucial. The sequencing between UNDAF and sector-wide approaches depends on the degree to which sector-wide activities have been programmed in a systematic way. Sector-wide approaches can represent a cross section of all these analytical and strategic exercises (the comprehensive development framework, UNDAF, PRSP and CCA) at a specific sector level.

Notes

[1] See General Assembly resolution 50/227, Economic and Social Council resolution 1997/59 and 2000/19, UNDP/UNFPA Executive Board decisions 98/13, 98/23, 98/24, 99/1, 99/5, 99/23; and UNICEF Executive Board decisions 98/8 and 99/8.

[2] For the most recent report of the Secretary-General on the subject of resources and funding, see E/2000/46.

[3] The ministerial meeting was held in New York on 11 September 2000; ministers and high-level representatives of 65 countries participated.

[4] See letter dated 17 March 1997 from the Secretary-General addressed to the President of the General Assembly.

[5] CCA was first examined by the Economic and Social Council in 1996, in the context of the coordination of United Nations system's activities for poverty eradication (see E/1996/61, para. 69, recommendation 4); see also agreed conclusions 1996/1 of the Council, sect. D, para. 10, where CCA is related to the country strategy note.

[6] See CCA guidelines section 1, "Definition of the CCA". The CCA is a country-based process for analysing the national development situation and identifying key issues or challenges as a basis for advocacy, policy dialogue and preparation of UNDAF. It is based on a common analysis of the development situation of a country and a common understanding of the key risks that the country faces in its development process.

[7] In particular, it draws on: (a) an independent analysis by three external evaluators (Adebayo Adedeji, Mary McCowan and Devaki Jain), who visited six countries

(Colombia, Ghana, Romania, Senegal, Yemen, Viet Nam); (b) evidence from a desk review of UNDAFs and CCAs, including through the CCA/UNDAF learning network and training workshops at the country and regional level; (c) comprehensive reflection by the United Nations system through a workshop, held in Skytop, Pennsylvania, on 1 and 2 March 2001, where results of the external evaluation were discussed; (d) elements provided by system organizations, United Nations country teams and Governments for the 2001 triennial policy review through questionnaires and other evaluations; (e) reviews of the annual reports of the resident coordinators; and (f) results of impact evaluation missions completed by the Department of Economic and Social Affairs in relevant countries.

[8] For CCA/UNDAF status of 15 April 2001, see http://www.dgo.org.

[9] UNDAF has been planned in the United Nations administered territories of East Timor and Kosovo, where CCAs were completed, respectively, in November 2000 and February 2001. A United Nations plan is being prepared in the Republic of Congo, based on CCA, CAP and UNDAF principles.

[10] In the ACC guidelines, UNDAF aims to improve focus of system operations, their result orientations and their unity of purpose, serves as a common frame of reference for strategy and country programme documents of system organizations, stimulates collaborative programming and enhances team spirit.

[11] See UNDAF guidelines, "Goals and objectives".

[12] See UNDG, report on an UNDAF assessment workshop, organized by the Department of Economic and Social Affairs and DGO in Skytop, Pennsylvania, on 1 and 2 March 2001. When the process is participatory, the Government is involved in the design and implementation of the system development cooperation programme. Some country studies on impact evaluation launched by the Department confirm that. See, for example, Peter Morgan and Sarah Mvududu, "An evaluation of United Nations system interventions on capacity-building and poverty eradication in Mozambique, 1985-1999" (draft of February 2001).

[13] See "The evaluation of the impact of the United Nations system on capacity-building for poverty eradication in Nepal, 1985-2000", report prepared by Meena Acharya and Art Wright for the Department of Economic and Social Affairs (draft of December 2000). The preparation of UNDAF II is expected to allow harmonization of country programmes in coincidence with the inauguration of Nepal's tenth five-year plan, starting from January 2002.

[14] Questionnaires were distributed to Governments of recipient countries and donor countries. The following remarks are based on a sample of reduced number of replies received at the time the present report was prepared (23 from recipient countries and 12 from donor countries).

[15] See "2001 External Assessment of the UNDAF", report prepared by Adebayo Adedeji, Mary McCowan and Devaki Jain (7 March 2001); see also report cited in footnote 12.

[16] Nevertheless, a key component of UNDAF should be the programme resources framework, which supposedly facilitates result-based monitoring and evaluation of operational activities programming; see UNDAF guidelines, sect. 3, "Programme resource framework".

[17] See report cited in footnote 15.

[18] Three United Nations country teams, which included Government representatives, were represented in that workshop, respectively from China, Ethiopia and Morocco.

[19] See "Un-doing the web on poverty: report on the impact of the United Nations system's support to capacity-building and poverty eradication in Madagascar, 1985-1997", report prepared by M. Taghi Farvar and Roy A. Stacy for the Department of Economic and Social Affairs (draft of February 2001).

[20] See CCA/UNDAF Learning Network, pilot phase, "Main observations, lessons learned and examples: suggestions for action" (July 2000).

[21] See P. Matthews, "Analysis and main lessons drawn from 15 CCA and UNDAF documents from the UNDAF pilot phase" (February 2000).

[22] Ibid.

[23] See report cited in footnote 15.

[24] Ibid.

[25] Some 76 per cent of the replies were from recipient countries, 60 per cent from donors and 69 per cent from country teams; however, for 26 per cent of the country teams, this contribution is very effective.

[26] See report cited in footnote 15.

[27] See synthesis report prepared by DGO in August 2000.

[28] The role of indicators in CCA, in the framework of the support to the integrated and coordinated implementation and follow-up to major conferences and summits, has been recently reviewed by a joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP, on 26 January 2001, and by the Statistical Commission, in response to a request from the Economic and Social Council (see Council resolution 2000/27, para. 7). A separate report on this topic is being submitted to the substantive session of 2001 of the Economic and Social Council. See also E/CN.3/2001/16. A report on the implementation of

Council resolution E/2000/27 is due to be submitted to the substantive session of 2002 of the Council.

[29] See report cited in footnote 15.

[30] For an interesting example of large consultation with the Government, donors and the civil society in the context of CCA, see the case of Nepal, presented by the country team at a joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP, on 26 January 2001. (See DP/2001/CRP.4.)

[31] In more detail, the triennial comprehensive policy review questionnaires have produced the following results: (a) limited participation of the Government in thematic groups and UNDAF preparation was identified as a key constraint by 53.8 per cent of country teams (57.7 per cent for countries with large system presence), 44.4 per cent of donors and one recipient country; (b) limited consultation with and involvement of line ministries and local authorities during UNDAF formulation was indicated as a main obstacle by 51.3 per cent of country teams, 44.4 per cent of donors and 33.3 per cent of recipient countries; (c) inadequate leadership of the Government in the UNDAF exercise was highlighted by 51.3 per cent of country teams (54.5 per cent of those from countries with large system presence), 33.3 per cent of donors and 20 per cent of recipient countries.

[32] The importance of consultation, inter alia, with other relevant development partners, is noted in General Assembly resolution 53/192, para. 20.

[33] Some 69.2 per cent of country teams where either CCA or UNDAF has been launched (75.7 per cent of those from countries with a large presence of the United Nations system), 66.6 per cent of donor countries and 40 per cent of recipient countries that replied on this issue support this position.

[34] This may also apply to Government's participation; see report cited in footnote 15.

[35] See report cited in footnote 15.

[36] There have been attempts to rationalize and drastically reduce the number of these thematic groups in some countries; see report cited in footnote 15.

[37] These figures are based on the resident coordinator annual reports for 1999; see report cited in footnote 15.

[38] 58 per cent of donor countries and 29 per cent of recipient countries supported this view, although 53 per cent of the latter group preferred not to express any comments in this matter.

[39] 50 per cent of donor countries and 57 per cent of recipient countries highlighted this aspect.

[40] Most current country programmes of funds and programmes cover the period up to 2001, and have been prepared and issued in 1997, prior to the introduction of the UNDAF process.

[41] The translation of UNDAF into individual country programmes requires a number of steps, including consultation with relevant partners, which are time-consuming. Some of these consultations are under way or are reflected in mid-term reviews. In order to assess consistency and relevance of the UNDAF process, a thorough evaluation should not be based only on text comparison of UNDAF documents and country programmes.

[42] Synchronization of the timing of individual programmes can be achieved through the harmonization of programme cycles. Progress in the harmonization of programming cycles of United Nations funds and programmes is considered a precondition for the successful preparation of the UNDAF.

[43] See report cited in footnote 15.

[44] WFP conducted an evaluation on the integration of its country programming cycles into CCA and UNDAF. The integration of UNDAF with country programmes has enhanced agency involvement in UNDAF in some countries (e.g., Mozambique and Yemen). In others (e.g., Senegal), this integration was limited to their adherence to UNDAF priority areas or (e.g., Malawi) the process of country programming had not exploited the opportunities for collaboration and mutual support emphasized by UNDAF. Information-sharing and common strategizing of development cooperation and humanitarian assistance need to be strengthened. In Ghana, UNDAF I did not seek to integrate agency programmes around common objectives since country programmes existed before UNDAF, while UNDAF II (currently available in draft) will do so.

[45] See UNDG, "Harmonization of programme approval process: two options" (draft of 23 February 2001).

[46] The UNDP advisory note, one requirement for the preparation of its country cooperation framework (CCF), is now optional; UNFPA is gradually replacing a separate population analysis required prior to its country programme with CCA; UNICEF has made similar decisions in specific country cases; see E/2000/46/Add.1, paras. 27-35.

[47] See, inter alia, UNDG, "Definition of processes and products for enhancing UNDG programme collaboration"; joint programmes can be the outcome of situations where different organizations join together to carry out joint assessments of problems, design interventions consisting of shared objectives, actions, time frames, resource requirements and defined responsibilities; see UNDG, "Guidance note for preparing joint programmes/projects" (June 2000).

[48] This is part of a package of efforts that ACC and UNDG started in 2000 to make progress in the simplification and harmonization of rules and procedures, including in the areas of joint mid-term reviews of agency country programmes and recruitment and administration of national project personnel; see E/2000/46, paras. 165-168.

[49] E.g., in Bangladesh, Brazil, Chad, Cambodia, Gambia, the Islamic Republic of Iran, Madagascar, Mali, Namibia, Nigeria, the Philippines, Trinidad and Tobago, Uganda and Viet Nam.

[50] The initiative is based on a joint participation of UNDP, UNICEF, UNFPA and WFP in support of the Government, and is linked to the preparation of the CCA for Egypt; specialized agencies and the World Bank are expected to be associated.

[51] Involving the Departments of Economic Affairs and Education of the Indian Government and UNICEF, UNDP, UNFPA, UNESCO and the ILO.

[52] With the participation of UNAIDS, UNDP, UNFPA and UNESCO and a contribution from the business sector.

[53] See report cited in footnote 15.

[54] Only 32 per cent of the system organizations highlighted the constraints of resources as an obstacle for the CCA.

[55] First suggested by the President of the World Bank, James Wolfensohn, in a speech entitled "The other crisis" delivered at the October 1998 World Bank/IMF annual meeting and subsequently formalized in a letter of 21 January 1999, entitled "A proposal for a comprehensive development framework: a discussion draft" to all Bank staff, the Bank's Executive Board and the development community.

[56] See note entitled "The comprehensive development framework and poverty reduction strategy papers", sent to the Administrator of UNDP with a joint letter of 5 April 2000 by Stanley Fischer (IMF) and James D. Wolfensohn (World Bank).

[57] Bolivia, Côte d'Ivoire, Dominican Republic, Ethiopia, Eritrea, Ghana, Jordan, Kyrgyzstan, Morocco, Romania, Uganda, Viet Nam, and the West Bank and Gaza.

[58] See United Nations System-World Bank learning group on the comprehensive development framework and PRSP, 22 March 2001 (teleconference between New York, Geneva, Rome and Paris), meeting report.

[59] Countries or areas where success is more evident are Bolivia and Ghana, while least progress has been made in Ethiopia, Morocco, Kyrgyzstan, and the West Bank and Gaza.

[60] They are: (1) a long-term comprehensive vision of development (going beyond macroeconomic management in order to incorporate governance, human and social development objectives); (2) ownership by the country (the country should be in the driver's seat); (3) partnership with internal and external actors; and (4) a focus on development outcomes.

[61] The comprehensive development framework in Bolivia is based on a participatory process launched by the Bolivian Government, known as "National dialogue: Bolivia towards the twenty-first century", which was supported through a UNDP project. The resident coordinator and a United Nations human development adviser were fully involved in the formulation of the comprehensive development framework.

[62] See the example of Ghana, where the preparation of the comprehensive development framework is a natural extension of the CCA and UNDAF processes and an opportunity to apply UNDAF principles and approaches to a broader group of partners.

[63] See report cited in footnote 15.

[64] As a follow-up to the 19 May 1999 meeting between the Deputy Secretary-General and the World Bank Managing Director for Operations.

[65] Initially intended as a basis for official external debt forgiveness under the Heavily Indebted Poor Countries (HIPC) Initiative started in 1996 and as a precondition to be eligible for financing under the IMF Poverty Reduction and Growth Facility and IDA concessional lending. Where adopted, the PRSP replaces the Bank's policy framework paper and the IMF Enhanced Structural Adjustment Facility processes.

[66] In the case of Madagascar, the World Bank and IMF decided to accept the SNRP, which is the national recovery plan for the country (formulated with the support of the United Nations system) as the I-PRSP for Madagascar, given the high quality of the plan and the urgency to have access to a faster track for HIPC debt relief.

[67] See report cited in footnote 15; the Government of Kenya, for example, requested that the draft CCA and some indicators included in the CCA indicator framework be used in the final version of the PRSP. In Haiti, the PRSP will build on the findings of the CCA.

[68] See note "UNDG position on the Poverty Reduction Strategy Papers" draft under preparation by the UNDP Working Group on Poverty.

[69] See UNDAF guidelines, section 1, "Definition of UNDAF".

[70] See the results of a seminar on the theme "Likeminded donor working group on sector-wide approaches", held in Dublin from 8 to 10 February 2000.

[71] See, for example, "An evaluation of United Nations system interventions on capacity-building and poverty eradication in Mozambique, 1985-1999".

[72] See report cited in footnote 15.